

Federal Stimulus Moneys—Trigger Determination

ABX3 16, Chapter 5, Statutes of 2009

SECTION 1. Section 99030 is added to the Government Code, to read:

(a) On or before April 1, 2009, the Treasurer and the Director of Finance shall meet and confer in a public hearing for the purpose of determining whether federal legislation has been enacted that will make available, by June 30, 2010, additional federal funds that may be used to offset not less than ten billion dollars (\$10,000,000,000) in General Fund expenditures.

(b) Notwithstanding any other provision of law, the Treasurer may send a designee and the Director of Finance may designate a deputy of his or her office to act in his or her place and stead for purposes of subdivision (a).

(c) If, on or before April 1, 2009, the Treasurer and the Director of Finance determine that sufficient federal funds have been made available as described in subdivision (a), the Director of Finance immediately shall notify, in writing, the Joint Legislative Budget Committee and the Controller of this determination.

(d) This section shall be operative only until July 1, 2010, and as of that date is repealed.

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ABX3 16 requires the Director of the Department of Finance and the Treasurer to determine whether federal legislation has been enacted that will make available in the 2008-09 or 2009-10 fiscal years additional federal funds that may be used to offset no less than \$10 billion in General Fund expenditures. For purposes of this determination, we assume the words have their normal and ordinary meaning and shall be interpreted in the context in which they are found. The duty of the Treasurer and Director of Finance under ABX3 16 is ministerial. This means that the duty of these officers is to calculate available federal offsets to General Fund expenditures. It would exceed the statutory and constitutional authority of the Treasurer and Director of Finance to presume the prerogatives or future actions of the Legislature.

Key words and phrases for making this determination include: "available", "may be used", "offset", and "expenditures". "Available" means those federal moneys known to be allocated to California based on currently enacted federal law and regulations. "May be used" means funds that are currently permitted by state law and regulations to be used to pay for what otherwise would require a General Fund expenditure. "Offset" means the additional federal funds that can be used in lieu of currently appropriated General Fund expenditures. "Expenditures" means those moneys that may be spent pursuant to a currently enacted appropriation for the 2008-09 and 2009-10 fiscal years.

- Starting point (baseline) is the expenditure amounts for the specific programs included in the enacted 2008-09 Budget, as revised in February, and in the enacted 2009-10 Budget. Summary tables of statewide General Fund expenditures are reflected in the publication posted on Finance's website on March 4, 2009.
- All calculations of offset are made using the legal budgetary basis for each program. That is, the amount of General Fund budgetary expenditures reduced in 2008-09 and 2009-10 related to the anticipated receipt of the federal stimulus moneys. Generally, General Fund programs are budgeted in an accrual basis. However, deviations may exist as permitted by law.
- "Offset" is determined by comparing the lower level of General Fund budgetary expenditures in 2008-09 and 2009-10 to the budgetary amount included in the enacted 2009 Budget Act package for the specific programs.